

REPORT TO THE HONORABLE
MAYOR AND CITY COUNCIL
SETTLEMENT OF CONSUMER PROTECTION ACTION: PEOPLE V. LAIDLAW
WASTE SYSTEMS, INC.

Today I am announcing the settlement of a substantial consumer protection action brought by my office in conjunction with the San Diego District Attorney and State Attorney General. A copy of the press release detailing the basis and terms of the settlement is attached.

In sum, the defendant, Laidlaw Waste Systems, Inc., has stipulated to the entry of a final judgment requiring the company to pay \$1.7 million in civil penalties and costs (\$688,750 of which is payable directly to the City), and \$1.3 million in restitution, to settle our allegations that it deceptively secured customer signatures on thousands of multi-year trash hauling contracts in San Diego and elsewhere in California. The company was also accused of overcharging customers for landfill cost increase assessments. Together with the court-ordered cancellation of suspect contracts at the option of each affected customer, the judgment permanently enjoins Laidlaw from repeating the challenged practices.

This settlement is in large part the result of the concentrated and persistent efforts of the staff of my Consumer and Environmental Protection Unit which you recently restored to its full strength during our last annual budget process. I am pleased to announce a case resolution of this magnitude, both as the City's chief prosecutor and as an advocate of a fair and law abiding marketplace for San Diego's citizens.

Respectfully submitted,
JOHN W. WITT
City Attorney

WRN:rw(x043.1)
Attachment
RC-91-5